

Called meeting of the City Council  
Austin, Texas, October 20<sup>th</sup> 1906

Hon W W Shelley Mayor, presiding  
Roll Called

Present Aldermen Armstrong Limeskaynes Miller  
Moore Powell Smith Von Rosenberg Wilhelm  
Absent Aldermen Crocker Mucken Petri Redd Scott 9  
5

Call of Council

The following Call of the Council was read  
A special session of the City Council of the City of Austin  
is hereby called to meet in the Council Chamber, in  
the temporary quarters, (Smith office building, on West 6<sup>th</sup> Street)  
at 8 o'clock P.M. this the 20<sup>th</sup> day of October A.D. 1906, for the  
purpose of making an appropriation to reimburse the  
American National Bank of Austin the amount paid  
by them in negotiating and making the exchange of  
\$320,000.00 Water Works and Electric Light bonds of the  
City of Austin for a like number of Refunding bonds  
of the City of Austin, and to consider and pass such other  
ordinances and resolutions necessary in the premises  
and for the purpose of considering and making a levy  
of taxes for the year 1906, if thought advisable

W W Shelley Mayor  
C W Moore  
Henry Petri  
L M Crocker

Austin, Texas, Oct 20<sup>th</sup> 1906

I hereby certify that I have served the above Call  
by having same read by Policeman Stanford and by, to  
each of the following named Aldermen to wit:

W. D. Miller, W. C. Redd, A. E. Limes, C. H. Powell, L. M.  
Crocker, E. Von Rosenberg, Joe Mucken, C. J. Armstrong, Henry  
Petri, C. J. Wilhelm, H. L. Haynes, J. A. Scott, Ben Smith,  
and C. W. Moore

J. H. Mollony Sargent of Police  
acting City Marshal

Alderman Haynes presented the following report  
Austin, Texas, October 20, 1906,

Hon Mayor & Board of Aldermen of the City of Austin  
Gentlemen:

Report of Special  
Committee to exchange  
bonds

We, your special Committee, appointed to effect  
an exchange of the \$320,000.00 Refunding bonds of the  
City of Austin for the \$320,000.00 outstanding water and light  
bonds of the City, beg leave to make the following statement  
in addition to the detailed report filed by us in  
connection with such exchange:

First, By exchanging our refunding bonds for the water  
and light bonds of the City, we save one per cent a  
year in interest for ten (10) years, or a total of \$32,000.00  
It cost us to make the exchange \$10,560.00, therefor we have

a net saving of \$21,440.00 in the item of interest alone second, we get rid of the litigation that has involved the City for the last five (5) years, and we are now able today, which is the first time in sixteen (16) years that the City has been able to say it, that we have no litigation of any kind or character with any person or persons in connection with any of the City institutions, or any of its indebtedness, bonded debt or otherwise, it being the first time in sixteen (16) years that we have been free from that character of litigation

Third, we get all of our bonds in one issue and all of them are subject to call at any time; and, while they bear four (4) per cent interest for the next ten (10) years and then go to five (5); if they keep on advancing in price as they surely will do and as they have done in the last year, we can, before the ten (10) years expire, without any question, refund the entire indebtedness for three and one half (3 1/2) or four (4) per cent at the outside. In other words, we are confident that the City will never again have to pay more than four (4) per cent on any of its bonded debt.

Fourth, by making this exchange, we are unable to reduce the tax rate materially, and, unless another bond issue is made by the City within the near future, which is a remote probability, we do not think the citizens need anticipate ever again a levy of tax rate of more than 1.90% and, as soon as the claim of the Trustees of the old water and light plant is paid off, the taxes can then be materially reduced again, because we are now paying off that indebtedness at the rate of \$22,500 a year.

While we do not feel like throwing bricks at the Council and Special Committee who had this matter in charge, we believe that with this result attained all of our serious troubles are now ended, and the citizens of Austin can congratulate themselves, and this Council can assure itself of the fact that by their persistent efforts, in the matter, they have wiped out for all time, as we believe, the troublesome litigation that the City has been burdened with, and all this without any additional expense for attorneys fees.

The City Attorney's office has handled the Court matters, as well as the legal phases of the negotiation, without any outside assistance. He calls attention to the fact because the citizens of Austin know, that for many years, during the progress of the litigation of the City, thousands of dollars were paid out for attorneys fees to lawyers retained by the City.

Fifth During the next eight (8) years the City will be

\$ 219,000.00 of its bonded debt. During the past five (5) years it has paid \$90,000.00 on account of the old Water and Light plant and the judgments against it in favor of the old Water Company; more than \$50,000.00 has been spent in permanent street improvements, including storm sewers; enough money has been laid aside to build a City Hall; and no debt has been incurred.

All of this has been accomplished with no credit for the City on the outside, and despite the persistent "Knocking" of some of our Citizens. With it all of our streets are in better condition than at any time in their history.

Bearing these things in mind, we feel that we have a right to be proud of the record, and the City as a whole should rejoice that the condition that exists now as compared with seven years ago.

H. L. Haynes  
Chairman Finance Committee

On motion the report of the Special Committee was adopted.

Thanks of Council  
to City Attorney &  
G. H. Allen for  
services

Alderman Moore moved that the thanks of the Council be tendered the City Attorney and Mr. G. H. Allen for their legal efforts in the matter of exchanging these bonds, which motion prevailed.

Expenses of exchanging  
bonds

Aldermen Crooker, Petri and Deak entered the Council Chamber. By Alderman Haynes an ordinance appropriating the sum of \$10,320.00 for the purpose of reimbursing the American National Bank of Austin, Texas, for expenses incurred in the exchange of \$320,000.00 of Water Works & Electric Light bonds for a like amount of Refunding bonds.

The ordinance was read the first time and passed under suspension of the rules by the following vote:

Yeas Aldermen Armstrong, Crooker, Cuneo, Haynes, Miller, Moore, Petri, Powell, ~~Reed~~, Deak, Smith, Von Rosenberg & Wilhelm 12  
Nays None

Tax Levy for 1906.

By Alderman Haynes an ordinance levying taxes for the year 1906.

The ordinance was read the first time and passed under suspension of the rules by the following vote:

Yeas Aldermen Armstrong, Crooker, Cuneo, Haynes, Miller, Moore, Petri, Powell, Deak, Smith, Von Rosenberg & Wilhelm 12  
Nays None

On motion the Council adjourned.  
Fred Johnson  
City Clerk